Procurement Policy for Foodgrains

3958. DR. T. SUBBARAMI REDDY : Will the Minister of AGRICULTURE be pleased to state:

(a) whether Government have once again shown inability to take the decision of putting a lid on procurement prices;

(b) whether Government have also over-ridden the recommendations of the Commission on Agricultural Costs and Prices and raised the Minimum Support Price for wheat;

(c) whether the CACP had suggested to trap the procurement price at last year's levels;

(d) if so, what are the reasons for not having fully acceptable procurement policy; and

(e) what are the main hindrances in formulating the successful procurement policy?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HUKUMDEO NARAYAN YADAV): (a) to (d) The CACP is an expert body, entrusted with the task to advise on price policy of agricultural commodities with a view to evolving a balanced and integrated price structure in the perspective of overall needs of the economy and with due regard to the interests of producer and the consumer. In the price policy of Rabi crops for the 2001-02 season to be marketed in 2002-03, the Government has concurred with the recommendations of the CACP for all Rabi crops except in case of Wheat. The Government has fixed the MSP of Wheat at Rs. 620 per quintal as against Rs. 610 per quintal recommended by the CACP. The marginal increase has been given keeping in view the rise in cost of production and the need to provide an incentive to the farmers to increase production and productivity of Wheat.

(e) The Government announces each season the MSPs for major agricultural commodities and organizes purchase operations through the designated central nodal agencies. The designated central nodal agencies are required to intervene in the market for undertaking procurement operations in case the market prices fall below the support level. There has been recorded level of procurement of Wheat, Rice, Oilseeds etc. in recent years.